



# Slavery and human trafficking

statement for CNH Industrial N.V. and its subsidiaries

# Our Commitment

We are committed to the creation of long-term sustainable value for all our stakeholders, and respect for fundamental human rights and basic working conditions is a prerequisite for achieving such results.

## Our Human Rights Policy

Our Company's global footprint requires the adoption of generally accepted principles in each geographic area where we operate. We are committed to respecting fundamental human rights and basic working conditions in all our operations. We do not tolerate the use of forced or mandatory labor, slavery, involuntary or coerced labor, human trafficking or sex trafficking.

In 2016, we updated our policy to include specific language prohibiting all forms of human trafficking. Please visit our Human Rights Policy at [http://www.cnhindustrial.com/en-us/governance/policies\\_and\\_guidelines/Pages/corporate\\_policies.aspx](http://www.cnhindustrial.com/en-us/governance/policies_and_guidelines/Pages/corporate_policies.aspx).

Advocating socially and environmentally responsible behavior across the entire supply chain is one of our primary commitments.

Forced labor takes different forms, including debt bondage, trafficking and other forms of modern slavery. The victims are amongst the most vulnerable and include women and girls forced into prostitution, migrants trapped in debt bondage, and sweatshop or farm workers kept by illegal tactics and paid little or nothing.



Nearly 21 million people - three out of every 1,000 people worldwide - are victims of forced labor across the world, trapped in jobs into which they were coerced or deceived and which they cannot leave\*.

This statement explains the steps we have taken during the previous fiscal year (2016) to ensure slavery and human trafficking is not occurring in any part of our business and its supply chain.

\* Source: International Labour Organization (ILO)

# Organizational Structure

CNH Industrial N.V. (“CNH Industrial”) is the parent company of the CNH Industrial Group. CNH Industrial is incorporated in, and under the laws of, the Netherlands. CNH Industrial has its corporate seat in Amsterdam, the Netherlands, and its principal office in London, United Kingdom. Unless otherwise indicated or the context otherwise requires, as used in this statement, the terms “CNH Industrial”, “we”, “us”, “our” or “the Company” refer to CNH Industrial together with its consolidated subsidiaries.



# Our Business

We are a global leader in the capital goods sector with established industrial experience, a wide product range, and worldwide presence. Through our 12 brands\*, we design, manufacture, and sell agricultural equipment, construction machinery, trucks, buses, specialty vehicles, powertrains and provide financial services. We employ more than 62,000 people in 64 manufacturing plants and 49 research and development centers and we conduct business in 180 countries.

For more information please see 2016 Sustainability Report CNH Industrial at a Glance page 11 [http://www.cnhindustrial.com/enus/sustainability/corporate\\_sustainability\\_reports/Pages/default.aspx](http://www.cnhindustrial.com/enus/sustainability/corporate_sustainability_reports/Pages/default.aspx).



\* Case IH, Steyr Traktoren, Case Construction Equipment, New Holland Agriculture, New Holland Construction, IVECO, IVECO ASTRA, IVECO BUS, Heuliez Bus, Magirus, Iveco Defence Vehicles, FPT Industrial.

# Our Supply Chain

Our products are highly complex, typically containing thousands of parts from many direct suppliers. The Company has relationships with a vast network of suppliers throughout the world. Ninety five percent of our procurement spending is with local suppliers.\*

Our purchases are managed by our Purchasing function, which operates globally through dedicated organizations in EMEA, NAFTA, LATAM, and APAC, by product line and commodity group.

For more information please see 2016 Sustainability Report Supplier profile page 163 [http://www.cnhindustrial.com/enus/sustainability/corporate\\_sustainability\\_reports/Pages/default.aspx](http://www.cnhindustrial.com/enus/sustainability/corporate_sustainability_reports/Pages/default.aspx).

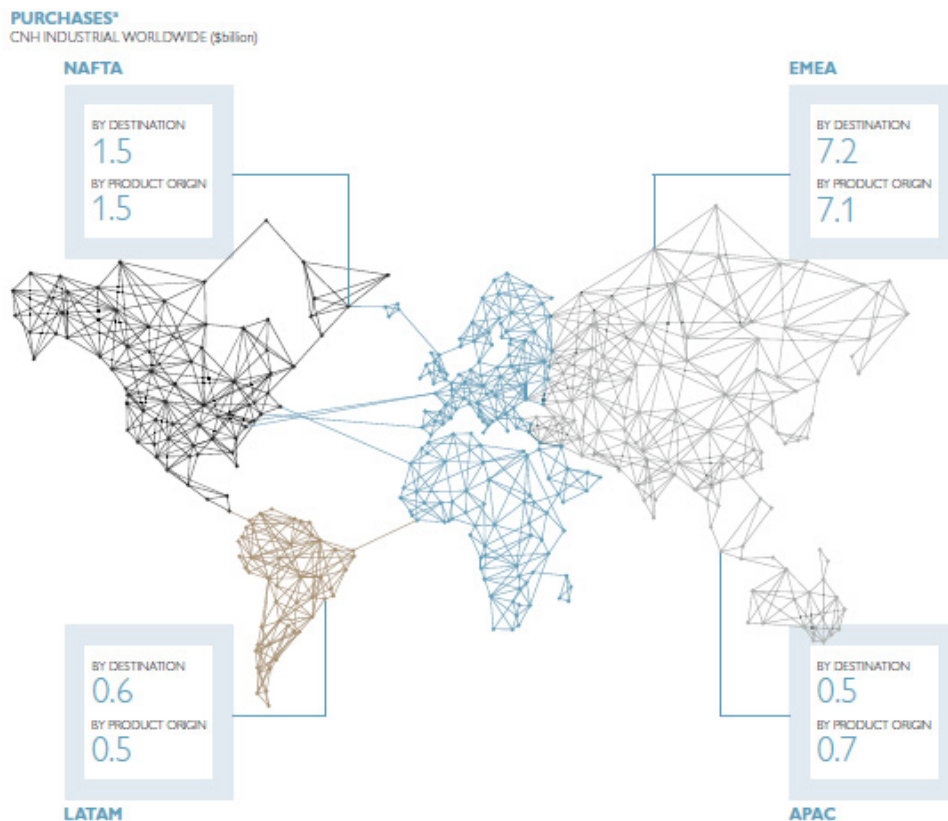
## HIGHLIGHTS CNH INDUSTRIAL WORLDWIDE

	2016	2015
Direct and indirect material purchases <sup>a</sup> (% of the total volume of CNH Industrial purchases)	85%	85%
Direct material suppliers (no.)	5,310	5,380
Value of purchases from direct material suppliers <sup>b</sup> (\$billion)	9.8	10.8
Value of purchases from indirect material suppliers <sup>c</sup> (\$billion)	1.5	1.9
Local suppliers (%)	95%	94%

<sup>(a)</sup> Refers to the value of purchases.

<sup>(b)</sup> Direct materials are preassembled components and systems used in assembly. The value of raw materials is considered marginal.

<sup>(c)</sup> Indirect materials are services, machinery, equipment, etc



\* Refers to the value of direct material purchases.

\*Local suppliers are those operating in the same country as the CNH Industrial plant.

# Our Code of Conduct

Our Code of Conduct addresses the ethical aspects of economic, social, and environmental issues. Explicit reference is made to the UN's Declaration on Human Rights, the relevant International Labor Organization (ILO) Conventions, and the OECD Guidelines for Multinational Companies. In addition to the Code of Conduct, we have established corporate policies and internal business processes that supplement the Code.

Please visit our Code of Conduct at [http://www.cnhindustrial.com/en-us/governance/code\\_of\\_conduct/Pages/default.aspx](http://www.cnhindustrial.com/en-us/governance/code_of_conduct/Pages/default.aspx).



# Our Supplier Code of Conduct

We have issued our Supplier Code of Conduct that provides the framework for responsible supply chain management. Compliance with the Supplier Code of Conduct is a mandatory requirement for continuing business relations with us. In addition to compliance with local legislation, the Supplier Code of Conduct calls for observance of human rights and working conditions, and respect for the environment and business ethics. In 2016 we updated the Supplier Code of Conduct to include specific language prohibiting all forms of human trafficking.

Please visit our Supplier Code of Conduct at [http://www.cnhindustrial.com/en-us/governance/policies\\_and\\_guidelines/Pages/default.aspx](http://www.cnhindustrial.com/en-us/governance/policies_and_guidelines/Pages/default.aspx).

# Supplier Selection

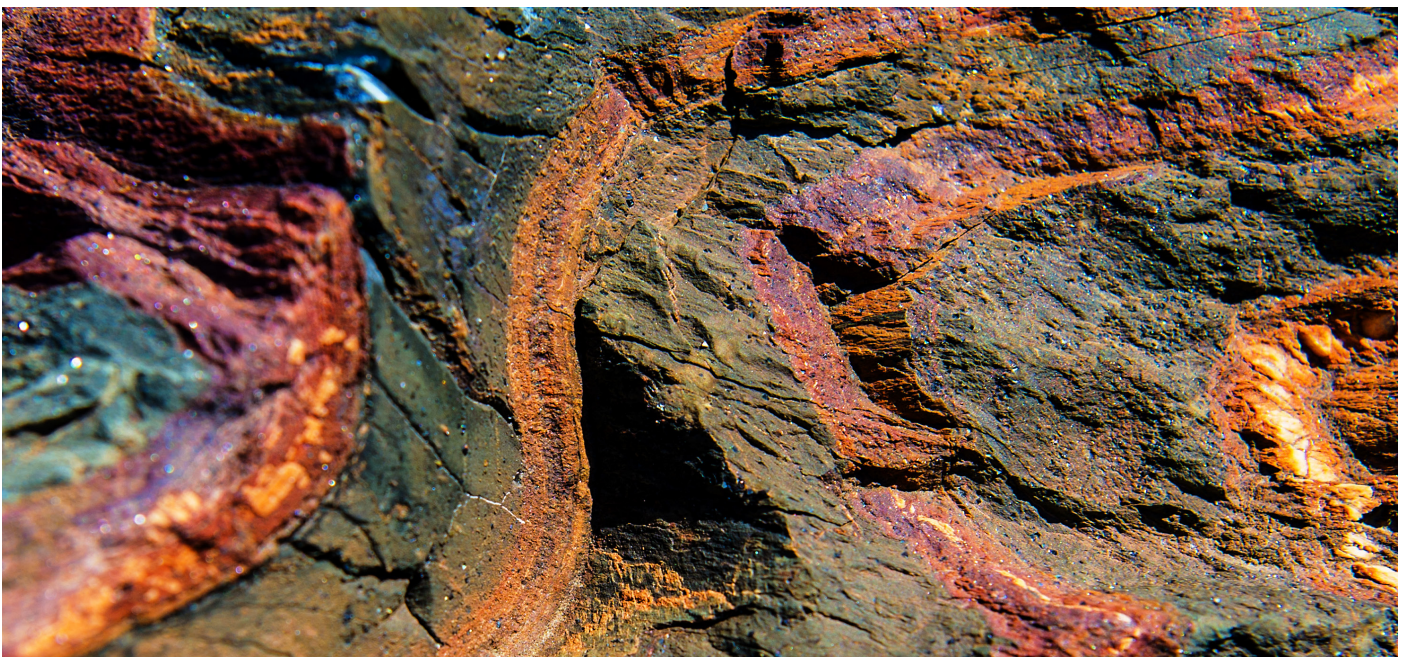
Supplier selection is based not only on the quality and competitiveness of the supplier's products and services, but also on compliance with our social, ethical, and environmental principles. In addition, through both the Commitment Declaration stipulated for new suppliers, and the conditions we have incorporated into new contracts, suppliers are required to comply with both the CNH Industrial Code of Conduct and Supplier Code of Conduct.

Specific contractual conditions require our suppliers to provide references and demonstrate abilities in relation to: fighting corruption, protecting and safeguarding the environment, promoting health and safety at work, ensuring nondiscrimination, prohibiting forced and/or child labor, and recognizing freedom of association. If a supplier fails to adhere to these principles, we reserve the right to terminate the business relationship or require the supplier to develop and implement a corrective action plan which we subsequently verify by audit.

## Conflict Minerals

We have implemented a compliance program and policy intended to promote responsible sourcing of tin, tantalum, tungsten, and gold from the Democratic Republic of Congo and other regions, where revenues from the extraction of natural resources have historically funded armed conflict and human rights abuses. We perform our supply chain due diligence consistent with OECD guidelines.

For more information please see 2016 Sustainability Report Supplier profile page 54 [http://www.cnhindustrial.com/enus/sustainability/corporate\\_sustainability\\_reports/Pages/default.aspx](http://www.cnhindustrial.com/enus/sustainability/corporate_sustainability_reports/Pages/default.aspx).



# Risk Assessment, Due Diligence and Steps to Mitigate Risks

Supplier assessments on sustainability issues, including human rights are the basis for us to perform risk assessments that allow us to identify critical suppliers whose compliance with sustainability criteria needs to be addressed. Among the key drivers used to create the risk map are the risks associated with the supplier's country of operation (focusing on countries with poor human rights records).

Supplier evaluation is performed through self –assessment using questionnaires developed by the Automotive Industry Action Group (AIAG). Suppliers are requested to provide information on human rights, environment, compliance and ethics, diversity and health and safety.

A Human Rights survey within our Company is performed by the Internal Audit department as part of the standard internal audit process, in order to cover due diligence requirements of the United Nations Guiding Principles on Business and Human Rights (“Ruggie Framework”).



## Audits

Sustainability audits are performed at suppliers' plants by either Company Supplier Quality Engineers or independent external auditors. Audits, which are organized in agreement with the suppliers, aim at verifying the information submitted through the self-assessment questionnaires and at defining improvement plans where necessary. Each supplier selects representatives within its organization (usually from HR, Safety, Environment, and Quality) to take part in audits, as well as a representative manager. Should audit findings reveal critical issues, joint action plans are developed with the suppliers to define:

- improvement areas (e.g., implementation of internal procedures in line with sustainability principles)
- responsibilities (which could entail organizational changes)
- corrective measures (e.g., targeted training programs)
- implementation plans.

A specific operational procedure is in place to monitor supplier compliance. Any non-compliance is brought to the attention of the Suppliers Sustainability Compliance Committee, which determines the actions to be taken against the defaulting supplier. Action plans are monitored through supplier audits.

For more information please see 2016 Sustainability Report Supplier profile page 167 [http://www.cnhindustrial.com/enus/sustainability/corporate\\_sustainability\\_reports/Pages/default.aspx](http://www.cnhindustrial.com/enus/sustainability/corporate_sustainability_reports/Pages/default.aspx).



# CNH Industrial Compliance Helpline

We have established a procedure to ensure that our employees and third parties have the opportunity to report alleged irregularities of a general, operational and financial nature with the Company. Our Compliance Helpline is managed by an independent third party and is available 24 hours per day/seven days per week/365 days per year. Reports may be submitted through a dedicated web portal ([www.cnhindustrialcompliancehelpline.com](http://www.cnhindustrialcompliancehelpline.com)), by phone (to a call center managed by a third party), or to a Company representative.

## Training

We provide all employees with specific training on our human rights policy. In 2017 we will be providing specific training to our supply chain employees about the prevention of human trafficking and slavery.



**This statement was adopted by the Board of Directors of CNH Industrial NV on April 14 2017.**

A handwritten signature in dark ink, appearing to be 'Richard Tobin', written in a cursive style.

**Richard Tobin**  
CEO, CNH Industrial

**April 14 2017**